

The services and equipment being procured by this Contract No. HL-2704
Task Order No. 2 are in furtherance of the IDEALIST
 Program(s), the nature of which cannot be publicly disclosed for security reasons. The Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC 2122, signed by the DDCI on 15 October 1961.

Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

The following comments describe the procurement hereby effected, the terms and provisions generally of this contract/amendment, and a resume of major issues negotiated:

1. Task Order No. 2 to Contract HL-2704 obligates \$8,385.21
 FY68 FOG money and covers the procurement of Training on the System. This requirement was initially authorized by
 [REDACTED] (10/10/67) and [REDACTED] (11/28/67). 25X1A

2. Pricing is in accordance with the rates established in the Master Contract. A Cost breakdown is attached hereto.

25X1A 3. Funds have been provided by [REDACTED] .8873 + 9696

4. SPECIAL NOTE: The training requirement was originally set forth in the production contract: GN-8655. To perform the requirement under GN-8655 would have generated an overrun. Therefore, the requirement would have been accomplished on a non-fee bearing basis. Thus, the requirement has been transferred to HL-2704 at no profit.

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